

July 2, 2013

TO: All Counsel and Interested Parties
(Via Email, Facsimile and/or U.S. Mail)

Re: Adair Grain, Inc. d/b/a West Fertilizer

Dear Sir or Madam:

This correspondence will serve to put all interested parties and governmental agencies on notice of the examination/Ammonium Nitrate ("AN") removal activities which will commence on **Tuesday, July 9, 2013 at 8:30 a.m. CST**. A copy of the protocol is attached with this letter.

This examination/removal will be directed by the independent site manager, Crane Engineering. We conservatively estimate the examination/removal will take most of the week to perform.

For those attending the examination/removal, on or before close of business on July 5, 2013, we need the following information from you:

1. A complete list of the persons intending to have access to the site and the identification of which party(ies) they represent and what company, firm or other entity they work for, and a cell phone number.
2. Each person on the list must present a business card at the time they sign in at the inspection site.
3. Each person must bring with him/her a government-issued photo identification card before being allowed to enter the site.

Individuals must be on this list in order to be allowed on the site.

A site safety plan will be provided to all interested parties and governmental agencies prior to the removal process beginning. All persons entering the site are also required to bring with them the following personal protective equipment: hard helmet, safety glasses and some type of work boots, preferably with steel toe and steel shank.

You must send your list of the individuals who will be at the site to Crane Engineering and our office. Please provide this information to the following offices prior to the close of business on July 5, 2013:

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Crane Engineering
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Atty. John V. McCoy
McCoy Leavitt Laskey LLC
Telephone (262) 522-7000
Toll Free (800) 599-8300
jmccoy@MLLlaw.com

Should you have any additional questions or concerns with regard to this letter, the examination/removal listed above, or wish any additional information, you can contact me directly as noted above.

Very truly yours,

McCOY LEAVITT LASKEY LLC



John V. McCoy

JVM/MRR/ljb

Enclosure

cc via email: Mathew R. Rosek, Esq.
Holly Taylor, Crane Engineering
Matt Wilber, Crane Engineering
Chuck Keith, Crane Engineering

June 29, 2013 REV 1 (CK / NC)

Draft Protocol for the removal of Ammonium Nitrate (AN) in damaged rail car on the West Fertilizer property.

A rail car containing approximately 100 tons of agricultural grade AN was damaged and tipped over during the explosion that occurred on April 17, 2013 at the West Fertilizer facility located in West, Texas.

The rail car is located on the property just north and west of the crater formed by the explosion and cannot be accessed for reclamation and removal without crossing the apparent area of origin from the east. However, the car can be approached with the necessary equipment from the north or south along the west side of the property. This may require that these areas of the site be cleared of material and equipment as necessary.

The car is also located within the right of way for the railroad and input from Mr. Fred Wilson is requested regarding access of personnel and equipment in order to accomplish this task.

All parties should be aware that we are again under the direction and supervision of several state and federal agencies. Some of these agencies have imposed time limits for completion of this process or they will intervene and render the site safe with or without our approval. HENCE, THIS PROTOCOL IS VERY TIME SENSITIVE AND AGREEMENT BETWEEN PARTIES PROMPTLY IS ESSENTIAL.

Armstrong Forensic Labs has already been contacted as a potential third party test location. If this is not a mutually agreeable third party location then alternative suggestions will be taken into consideration.

On Wednesday May, 22, 2013 agents of the Federal Alcohol, Tobacco and Firearms (ATF) agency allowed an expert in the manufacture and handling of AN onto the site to visually inspect the subject material. This inspection revealed the following:

- The physical characteristics of the AN in the rail car are consistent with agricultural grade material as listed on the bill of lading.
- Material which spilled out of the car has been mixed with organic debris such as wood scraps, paper and seed. This contamination poses little threat of destabilizing the AN to the point of making it unsafe.
- No evidence of destabilizing hydrocarbon contamination was observed.
- The AN cannot be ignited by sparks. The only risk identified was the possibility that a spark from a passing train could ignite the plastic tarps currently covering the spilled material and rail car. These tarps will be removed and replaced with fire resistant material until such time that the rail car can be accessed from the south.

General Protocol for Removal of Ammonium Nitrate from Railcar

1. Initiate a site safety plan that includes provisions to douse the car and material with water in the event of any unforeseen hazard.
2. The tarp material covering the rail car shall be removed.

3. Samples of the material will be collected from the car per the bulk sampling method recognized by the Associations of American Plant Food Central Officials (AAPFCO), represented by the Feed and Fertilizer Registration Division of the Office of the Texas State Chemist. The sampling procedure is attached to this protocol as an addendum. Two Sets of samples will be retained by Crane Engineering for future analysis by a mutually agreed upon lab. The cost of this analysis will be shared by the interested parties. The second sample will be held in the event additional testing is required.
4. The AN on the ground shall be hand shoveled into clean 55 gallon steel drums that have been tare weighed. The lids shall be installed with the bungs left open. This material shall be disposed of per the instructions of the Office of the Texas State Chemist.
5. There is a layer of material in the car that has some debris mixed in with it. This layer will be raked out and disposed of with the material recovered from the ground in the previous step.
6. The drums will be weighed and their gross weight will be recorded.
7. A tare weight will be obtained for a clean vacuum truck.
8. The material remaining in the rail car will be accessed from the open tops of the rail car or through the hopper gates on the bottom of the car. This material is in good condition and will be reclaimed by its owner and reissued to the market per the instructions of the Office of the Texas State Chemist. If a significant amount of material is left in the car after an entry into the car by personnel is required a confined space entry protocol will be initiated. Once the truck is full it will be weighed. It may involve several iterations of this step to empty the car completely.
9. Once the car is empty it will be washed down with water from a fire hose to neutralize and remove as much of the residual AN as possible. A tanker truck with a suction pump will be used to collect the water from the rinsing process. This water shall be disposed of per the instructions of the Texas Commission on Environmental Quality (TCEQ).
10. Removal of the car may require that it be torch cut into smaller pieces. This could be a time consuming and potentially hazardous process. With this understanding the car will be left in place until such time it can be removed in coordination with the car's owner and Union Pacific (UP) railroad.

This protocol is subject to change upon agreement of the interested parties.

Bulk Sampling Protocol

Bulk Railcar Car sampling

1. The Associations of American Plant Food Central Officials (AAPFCO), represented by the
2. Feed and Fertilizer Registration Division of the Office of the Texas State Chemist, has published official procedures for sampling of fertilizers in conveyances. These procedures are found in Chapter 11 of the Official Publication of AAPFCO (latest revision No. 66, 2013). The procedures themselves are adopted in total from methods published by the Association of Official Analytical Chemists (AOAC).
3. AOAC 2.1.01(b) Bulk Fertilizers, including railcar size lot: specifies the use of "tiers" (see photo 2) also commonly known as "grain probes" for collection of " ... vertical cores distributed in (a) standard concentric pattern ... of such design that each core represents approximately equal fractions of the lot."
4. A 60 to 72 inch long, non-partitioned probe with 10-12 slots, 1-3/8 inch OD will be used. Each sample collected in this size tier, assuming the tier fills completely with free flowing material, will weigh approximately 11-1.5 lbs.

5. Because the Railcar is lying on its side (see photo 1), sampling per the methods detailed in "AOAC 2.1.01(b)" should be modified to reflect the current configuration of the openings available to access the material.
6. Hopper Car top: (Photo 1) The top of the railcar, as it currently rests, is accessible from the ground level but vertical sampling is not practical. Samples should be collected nearly horizontally and at a sharp angle from the entrance of the opening sloping downward into the pile (See diagrams 1 and 2).
7. The top opening of the railcar (see diagram 1) should be sampled at 10 approximately equally distant points. At each point, two separated samples should be collected.
8. A total of 20 11" trier samples should be collected; 10 by inserting the trier nearly horizontally and 10 collected by inserting the trier at a sharp angle to the pile. (see diagram 2); therefore the trier is inserted twice at each point along the top of opening of the railcar.

9. The entire contents of the 20 samples collected should be combined into a 5 gallon plastic bucket such that all the samples collected will be composited into a single representative sample. The bucket should be sealed with an air-tight lid and labeled appropriately. The total sample size should be approximately 20-30 pounds.
10. Because the material in the railcar has been exposed to a high humidity atmosphere for over 2 months, the ammonium nitrate fertilizer is likely to be highly caked. Insertion of the tier It grain probe" may require the use of a rubber-headed mallet to drive the probe into the pile to its full length. This is an acceptable and common sampling requirement.

Diagram 1

Railcar Sampling Locations

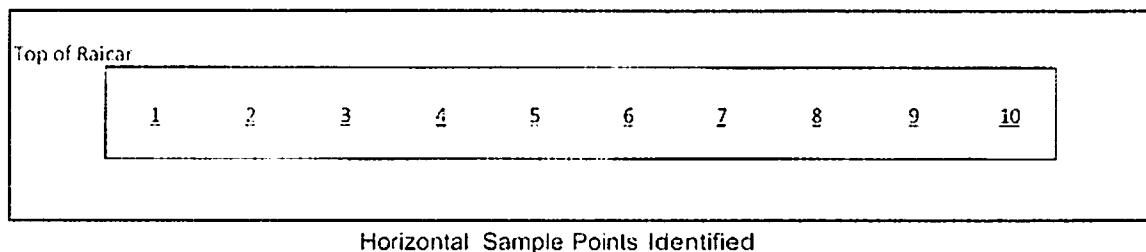


Diagram 2

Cross-Section View of the Railcar

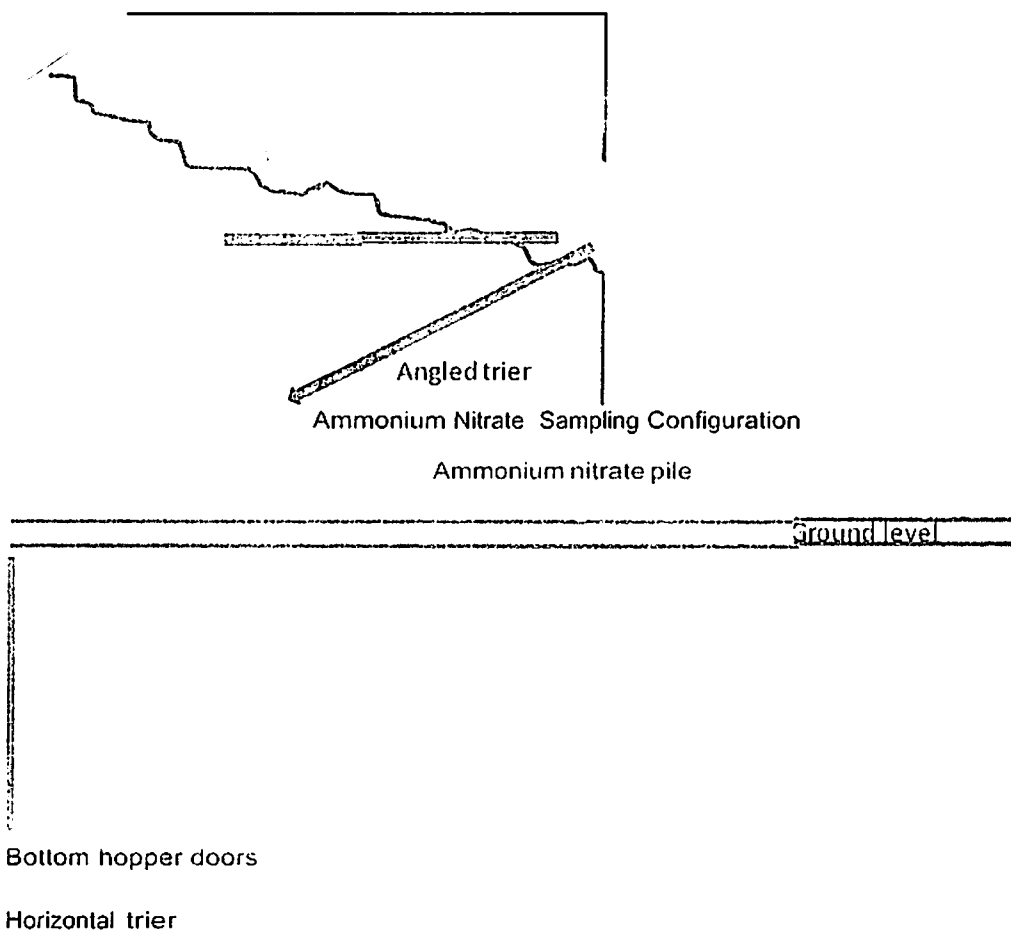
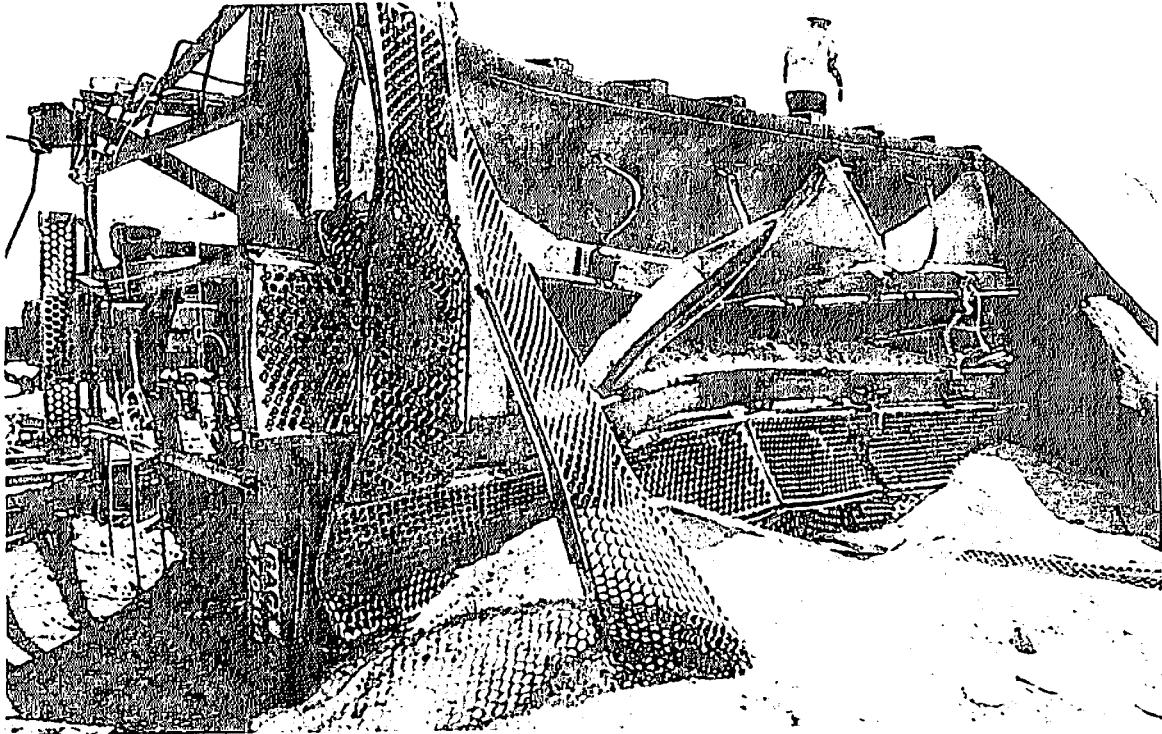


Photo 1



Railcar GTACX 470464

Photo 2



Single Slotted Grain Probe

Photo 3

Railcar GACX 470464 Bottom Hopper Door

